



DRAFT ANNUAL BUDGET OF **KAMIESBERG** **MUNICIPALITY**

2011/12 TO 2017/18
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
- At www.kamiesbergmun.co.za

Table of Contents

Part 1 – Annual Budget

- 1.1 Mayor's Report
- 1.2 Council Resolutions
- 1.3 Executive Summary
- 1.4 Operating Revenue Framework
- 1.5 Operating Expenditure Framework
- 1.6 Capital expenditure

Part 2 – Supporting Documentation

- 2.1 Overview of the annual budget process
- 2.2 Overview of alignment of annual budget with IDP
- 2.3 Measurable performance objectives and indicators
- 2.4 Overview of budget related policies
- 2.5 Overview of budget assumptions
- 2.6 Overview of budget funding
- 2.7 Expenditure on grants and reconciliations of unspent funds
- 2.8 Councillor and employee benefits
- 2.9 Monthly targets for revenue, expenditure and cash flow
- 2.10 Annual budgets and SDBIPs – internal departments
- 2.11 Contracts having future budgetary implications
- 2.12 Capital expenditure details
- 2.13 Legislation compliance status
- 2.14 Other supporting documents
- 2.15 Municipal manager's quality certificate

Abbreviations and Acronyms

AMR	Automated Meter Reading	MFMA	Municipal Financial Management Act
BPC	Budget Planning Committee		Programme
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MM	Municipal Manager
CPI	Consumer Price Index	MMC	Member of Mayoral Committee
DBSA	Development Bank of South Africa	MPRA	Municipal Properties Rates Act
DoRA	Division of Revenue Act	MSA	Municipal Systems Act
DWA	Department of Water Affairs	MTEF	Medium-term Expenditure Framework
EE	Employment Equity	MTREF	Medium-term Revenue and Expenditure Framework
EM	Executive Mayor	NERSA	National Electricity Regulator South Africa
FBS	Free basic services	NGO	Non-Governmental organisations
GAMAP	Generally Accepted Municipal Accounting Practice	NKPIs	National Key Performance Indicators
GDP	Gross domestic product	OHS	Occupational Health and Safety
GFS	Government Financial Statistics	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PBO	Public Benefit Organisations
HR	Human Resources	PHC	Provincial Health Care
HSRC	Human Science Research Council	PMS	Performance Management System
IDP	Integrated Development Strategy	PPE	Property Plant and Equipment
IT	Information Technology	PPP	Public Private Partnership
kℓ	kilolitre	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprises
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		
MEC	Member of the Executive Committee		

Part 1 – Annual Budget

Mayor's Report

Agbare Raadslede, Munisipale Amptenare, Departemente, lede van die Publiek dit verskaf my groot genot om die 2015/16 Munisipale Begroting aan u voor te hou.

Die 2015/16 begroting benodig 'n nuwe benadering om armoede, werkloosheid, behuising, infrastruktuur, elektrisiteit, en water as nuwe prioriteite aan te spreek.

Die Begroting is 'n Finansiële vooruitskatting van inkomste en uitgawes van die Munisipaliteit. Ek bied hierdie Begroting op die agtergrond van vele prestasies in 2014/15 Finansiële jaar.

Dit is die moeite werd om te noem dat die Munisipaliteit al die basiese dienste kan lewer aan die gemeenskap. Ons voorsien 'n gemiddeld van 1556 hulpbehoewendes met gratis basiese water, elektrisiteit, gesubsidieerde vullisverwydering en sanitasie.

Ek bied die volgende Begroting items. Die begrote inkomste van 2015/16 beloop R44 929 000 en Uitgawes beloop R54 105 000. Dit laat ons dus met 'n verlies van R9 177 000 op die Operasionele Begroting en n total verloes van R 1 217 000 wat toegeskryf kan word aan die kapitale uitgawes wat deel vorm van die toekenings as ook die voorsiening vir nie kontant uitgawes soos, oninbareskulde en waardevermindering op bates.

Sleutel Begrote Uitgawe Items

Begrote uitgawes vir 2015/16 Finansiële jaar is gebaseer op die werklike uitgawes tot Maart 2015 en vooruitskattings vir die res van die Finansiële jaar. Sommige items is begroot op 'n Nul-basis.

Personeelkoste

- Salarisse beloop **34%** van die totale Begroting in vergelyking met 47% in die vorige finansiele jaar
- 'n Algemene verhoging van 5,8% word vir salarisse begroot soos per omsendbrief 75 van Nasionale Tesourie.

Algemene Uitgawes

Algemene Koste beloop R7 631 000 en verteenwoordig 14% van die totale Begroting. Dit sluit in die daaglikse bedryfskoste van die Munisipaliteit.

Herstelwerk en Instandhouding

'n Bedrag van R2 898 000 is begroot vir die herstel en onderhoud van voertuie en masjinerie en toeristing. Die munisipaliteit sal n daadwerklike plan in plek moet stel vir die effektiewe herstel en instandhouding van bates.

Kapitale Uitgawes

Die totale Kapitale Begroting vir 2015/16 beloop R7 960 000.

Die volgende projekte gaan gesubsidieer word deur die MIG grant:

- Rooifontein Grootmaat water voorsiening
- Garies Grootmaat water voorsiening
- Paulshoek Grootmaat water voorsiening
- Kamieskroon Grootmaat water voorsiening

Munisipaliteite moet streef om te verseker dat inkomste vooruitskattings akkuraat, realisties en versamelbaar is. Die voorgeskrewe groei deur die Nasionale Tesourie vir 2015/16 is gebruik as 'n basis om te bly binne die Inflasie en ekonomiese tendense. .

Financial Management Grant (FMG)

Nasionale Tesourie het R1 875 000 toegeken vir die verbetering van die Finansiële bestuur hervormings in die Munisipaliteite waarvan die grootste gedeelte aangewend word vir die aanstelling van Interns en kapasitering van werknemers.

Management Systems Improvement Grant (MSIG)

Departement Behuising en Plaaslike Regering het R934 000 toegeken vir verdere bystand in Finansiële en Administratiewe vermoë van die Munisipaliteit.

Dienste Tariewe

Alle tariewe vir lewering van dienste word verhoog met 'n gemiddeld van 6%, dit sluit in water, vullisverwydering en riolering. Die tariewe van elektrisiteit verhoog met 12% soos per NERSA riglyne.

Gratis Basiese Dienste

Registreerde houshoudings met 'n bruto inkomste van nie meer as twee staatspensioene per huishouding per maand kwalifiseer vir subsidie op dienste. Hulle kry 2 kiloliter water, 50 kwh elektrisiteit en gratis vullisverwydering en 50% gesubsidieerde riool dienste.

Die grootste uitdaging wat nou voor ons staan is om die lewens kwaliteit van ons mense te verbeter. Die Raad streef voortdurend daarna om werk te skep deur middel van projekte wat in ons munisipale area geloods word. Die Raad is verder besig om deur sy LED eenheid projekte te identifiseer en te vestig om die kwaliteit van ons mense te verbeter.

Council Resolutions

On 30TH May 2015 the Council of Kamiesberg Local Municipality met in the Council Chambers of Kamiesberg Municipality to consider the Draft Annual Budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. The Council of Kamiesberg Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The draft annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification).
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote).
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type).
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
2. The Council of Kamiesberg Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
 - 2.1. the tariffs for property rates
 - 2.2. the tariffs for electricity
 - 2.3. the tariffs for the supply of water
 - 2.4. the tariffs for sanitation services
 - 2.5. the tariffs for solid waste services
 - 2.6. sundry income
3. The Council of Kamiesberg Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015 the tariffs for other services.

Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 66, 67, 70, 72, 74 and 75 were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, sewerage, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continues to exceed consumer inflation.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2015/16 MTREF process; and
- Operating with an old fleet which is putting pressure on the repairs and maintenance budget.
- The municipality is grant dependant seeing that more than 60% of its households are indigent.
- The vastness of the municipal jurisdiction also attributes to the increase in direct and indirect cost to provide services to remote communities.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2015/16 MTREF

R thousands	Budget Year 2014/15	Budget Year 2015/16	Budget Year 2016/17
Total Operating Revenue	38 086 000	44 929 000	47 011 000
Total Operating Expenditure	37 182 000	54 105 000	53 595 000
Surplus/(Deficit) for the year	904 000	(9 177 000)	(6 585 000)
Total Capital Expenditure	9 129 000	7 960 000	7 566 000

Total operating revenue has increased by R6 843 000 million for the 2015/16 financial year when compared to the 2014/15 Budget it can be attributed to a 6% increase as well as the strict adherence to the credit control policy

Total operating expenditure for the 2015/16 financial year has been appropriated at R54 105 000 million and translates into a budgeted deficit of R9 177 000 million.

The capital budget of R7 960 000 million for 2014/15 is R1 169 000 million less when compared to the 2014/15 Budget.

Operating Revenue Framework

For Kamiesberg Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 65 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NC064 Kamiesberg - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	Rel	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
<i>Governance and administration</i>		21 739	29 833	19 916	22 427	24 315	24 315	29 113	30 303	31 345
Executive and council		-	347	(1 821)	-	-	-	-	-	-
Budget and treasury office		15 345	28 742	21 043	22 302	24 322	24 322	28 819	29 992	31 016
Corporate services		6 394	745	693	125	(6)	(6)	294	311	329
<i>Community and public safety</i>		-	519	1 201	-	-	-	998	1 980	3 024
Community and social services		-	499	591	-	-	-	12	13	14
Sport and recreation		-	20	610	-	-	-	985	1 966	3 010
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 510	7 138	1 053	1 088	714	714	707	749	791

Planning and development		2 510	306	284	1 088	477	477	700	741	783
Road transport		–	6 832	768	–	237	237	7	7	8
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		18 638	11 657	11 461	21 969	22 187	22 187	14	14	15
Electricity		2 074	5 447	4 659	5 808	5 893	5 893	6 072	6 430	6 790
Water		10 467	3 436	3 699	12 879	12 938	12 938	4 426	4 688	4 950
Waste water management		1 006	1 040	1 327	1 405	1 409	1 409	1 535	1 625	1 716
Waste management		5 090	1 735	1 777	1 877	1 949	1 949	2 078	2 201	2 324
Other	4	5	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	42 893	49 147	33 631	45 484	47 216	47 216	44 929	47 975	50 940
Expenditure - Standard										
Governance and administration		24 320	21 982	24 059	17 864	19 383	19 383	22	23	25
Executive and council		3 344	2 946	3 074	3 810	5 380	5 380	4 574	4 844	5 115
Budget and treasury office		8 563	8 090	12 547	10 524	10 183	10 183	12	13	14
Corporate services		12 413	10 946	8 438	3 530	3 820	3 820	5 334	5 649	5 965
Community and public safety		–	217	89	22	–	–	175	185	196
Community and social services		–	90	–	–	–	–	175	185	196
Sport and recreation		–	128	89	22	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		4 326	8 433	5 474	2 818	3 837	3 837	3 416	3 617	3 820
Planning and development		1 383	982	847	1 250	1 905	1 905	1 344	1 423	1 503
Road transport		2 943	7 451	4 628	1 568	1 932	1 932	2 072	2 194	2 317
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		17 906	21 665	24 027	16 540	13 962	13 962	26	28	30
Electricity		6 517	9 694	11 819	9 918	8 322	8 322	985	577	177
Water		5 381	5 011	7 932	2 814	2 626	2 626	13	14	15
Waste water management		–	–	–	–	–	–	454	247	045
Waste management		6 008	6 960	4 276	3 808	3 014	3 014	9 505	10	10
Other	4	–	–	–	–	–	–	065	629	–
Total Expenditure - Standard	3	46 552	52 297	53 649	37 244	37 182	37 182	53 140	56 276	59 427
Surplus/(Deficit) for the year		(3 659)	(3 150)	(20 018)	8 240	10 034	10 034	(8 212)	(8 301)	(8 487)

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Plans are in place to address the lack of revenue collected and improve the collection rate. The increase in outer years can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. There is an urgent need to review the tariffs on services to reflect an effective and market related tariff that is sustainable.

Table 3 Operating Transfers and Grant Receipts

NC064 Kamiesberg - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		15 387	16 641	17 389	18 888	18 888	18 888	20 368	21 042	21 565
Local Government Equitable Share		10 907	12 041	13 681	15 154	15 154	15 154	17 563	18 075	18 187
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1 033
Finance Management		1 450	1 500	1 650	1 800	1 800	1 800	1 875	2 010	2 345
		2 240	2 300	168	-	-	-			
EPWP		-	-	1 000	1 000	1 000	1 000			
Other transfers/grants (insert description)										
Provincial Government:		1 125	405	462	-	-	-	965	981	1 044
Sport and Recreation		392	405	462	-	-	-	965	981	1 044
Housing		733								
Other transfers/grants (insert description)										
District Municipality:		-	-	400	-	-	-	-	-	-
District Municipality:				400						
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)										
Total Operating Transfers and Grants	5	16 512	17 046	18 251	18 888	18 888	18 888	21 333	22 023	22 609
<u>Capital Transfers and Grants</u>										
National Government:		-	-	11 686	9 129	9 129	9 129	7 960	7 566	8 725
Municipal Infrastructure Grant (MIG)				11 686	9 129	9 129	9 129	7 460	7 566	7 725
Integrated National Electrification Programme								500		1 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Sport and Recreation										
District Municipality:		473	1 870	-	-	-	-	-	-	-
District Municipality:		473	1 870							
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)										
Total Capital Transfers and Grants	5	473	1 870	11 686	9 129	9 129	9 129	7 960	7 566	8 725

TOTAL RECEIPTS OF TRANSFERS & GRANTS		16 985	18 916	29 937	28 017	28 017	28 017	29 293	29 589	31 334
--------------------------------------	--	--------	--------	--------	--------	--------	--------	--------	--------	--------

It is planned that tariffs will be reviewed in every budget process as tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges are revised, local economic conditions, input costs and the affordability of services will be taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipalities future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipalities has undertaken the tariff setting process relating to service charges as follows.

Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).

Table 4 Comparison of proposed rates to be levied for the 2015/16 financial year

<i>Category</i>	<i>Current toriff (1 July 2014)</i>	<i>Proposed tariff (1 July 2015)</i>
Residential Properties	0.011898924	0.012612859
Business & Commercial	0.017848386	0.018919289
State owned properties	0.02974731	0.031532149
Agriculture	0.000832925	0.000882925
Mining activities	0.02974731	0.031532149

Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Kamiesberg Municipality carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of 6.0 per cent from 1 July 2015 for water is proposed. This is based on circular 75 issued by National Treasury.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

<i>Category Residential</i>	<i>Current tariff (1 July 2014)</i>	<i>Proposed tariff (1 July 2015)</i>
0-2kl	Free	Free
2-10kl	9.60	10.18
10-20kl	12.35	13.09
20-30kl	21.95	23.27
30kl+	31.56	33.45

Category Commercial	Current tariff (1 July 2014)	Proposed tariff (1 July 2015)
0-10kl	9.60	10.18
10-20kl	12.35	13.09
20-30kl	21.95	23.27
30kl+	31.56	33.45

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 12.2 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the consumer tariff had to be increased by 12.2 per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

Currently electricity is operating at a deficit. The Municipality will have to implement a strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributor to this deficit is distribution losses. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of electricity be undertaken, and that this include investigating alternative service delivery models.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. The upgrading of the Municipality's electricity network has become a strategic priority, especially the substations and transmission lines.

Sanitation and Impact of Tariff Increases

A tariff increase of 6.0 per cent for sanitation from 1 July 2015 is proposed. This is based on the input cost assumptions related to water. The following factors contribute to the proposed tariff increase:

- Free sewerage (50 per cent) will be applicable to registered indigents; and

The following table compares the current and proposed tariffs:

Table 6 Comparison between current sanitation charges and increases

<i>Category</i>	<i>Current toriff (1 July 2014)</i>	<i>Proposed toriff (1 July 2015)</i>
Residential	147.55	156.40
Churches	147.55	156.40
Business	159.45	169.01
High Volume users	318.89	338.02
Drain per pull	149.51	158.48
Hospital /Schools/Hostel	319.10	338.25

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a surplus. A 6.0 per cent increase in the waste removal tariff is proposed from 1 July 2015. Higher increases will not be viable in 2015/16 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 7 Comparison between current waste removal fees and increases

<i>Cotegory</i>	<i>Current toriff (1 July 2014)</i>	<i>Proposed tariff (1 July 2015)</i>
Residential	59.49	63.06
Business	110.66	117.30
Hospital /Schools/Hostel	110.66	117.30

Operating Expenditure Framework

The Municipalities expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) ;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

- The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

NC064 Kamiesberg - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

[illegible]

Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		4 326	8 433	5 474	2 818	3 837	3 837	3 416	3 617	3 820
Planning and development		1 383	982	847	1 250	1 905	1 905	1 344	1 423	1 503
Road transport		2 943	7 451	4 628	1 568	1 932	1 932	2 072	2 194	2 317
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17 906	21 685	24 027	16 540	13 962	13 962	26	28	30
Electricity		6 517	9 694	11 819	9 918	8 322	8 322	985	577	177
Water		5 381	5 011	7 932	2 814	2 626	2 626	13	14	15
Waste water management		-	-	-	-	-	-	454	247	045
Waste management		6 008	6 960	4 276	3 808	3 014	3 014	9 505	10	10
<i>Other</i>		-	-	-	-	-	-	065	629	-
Total Expenditure - Standard	3	46 552	52 297	53 649	37 244	37 182	37 182	53	56	59
								140	276	427
Surplus/(Deficit) for the year		(3 659)	(3 150)	(20 018)	8 240	10 034	10 034	(8	(8	(8
								212)	301)	487)

Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 5.8 per cent for the 2014/15 financial year. An annual increase of 4.4 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipalities budget.

Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R2.8 million for the 2015/16 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. The asset register is GRAP compliant. The transfer of Koningnaas in the nearby future will result in the depreciation to increase substantially.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures exclude distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This is mainly made up of bulk purchases of R 14 873 000, transfers and grants of R 10 138 000 and general expenditure of R 7 960 000.

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the

households are required to register in terms of the Municipalities Indigent Policy. This process is reviewed annually.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Capital expenditure

For 2015/16 an amount of R7 960 million has been appropriated for the development of infrastructure on the capital budget especially water.

NC064 Kamiesberg - Table A5 Budgeted Capital Expenditure by vote,
standard classification and funding

Vote Description R thousand	R of 1	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcom e	Audited Outcom e	Audited Outcom e	Origin al Budge t	Adjust ed Budget	Full Year Forec ast	Pre- audit outco me	Bud get Year 2015/ 16	Bud get Year +1 2016/ 17	Bud get Year +2 2017/ 18
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 5 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - TECHNICAL AND ROADS		-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE COUNCIL		5	488	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION		110	352	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES		-	1 275	-	-	-	-	-	-	-	-
Vote 4 - SPORT AND RECREATION		-	-	214	-	-	-	-	-	-	-
Vote 5 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER		4 819	11 038	887	9 129	9 129	9 129	-	7 460	7 566	7 725
Vote 7 - ELECTRICITY		1 165	3 673	-	-	-	-	-	500	-	1 000

Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT		--	--	--	--	--	--	--	--	--	--
Vote 9 - TECHNICAL AND ROADS		4 860	1 346	--	--	--	--	--	--	--	--
Vote 10 - WASTE WATER MANAGEMENT		665	195	--	--	--	--	--	--	--	--
Vote 11 - [NAME OF VOTE 11]		--	--	--	--	--	--	--	--	--	--
Vote 12 - [NAME OF VOTE 12]		--	--	--	--	--	--	--	--	--	--
Vote 13 - [NAME OF VOTE 13]		--	--	--	--	--	--	--	--	--	--
Vote 14 - [NAME OF VOTE 14]		--	--	--	--	--	--	--	--	--	--
Vote 15 - [NAME OF VOTE 15]		--	--	--	--	--	--	--	--	--	--
Capital single-year expenditure sub-total		11 624	18 367	1 101	9 129	9 129	9 129	--	7 960	7 566	8 725
Total Capital Expenditure - Vote		11 624	18 367	1 101	9 129	9 129	9 129	--	7 960	7 566	8 725
Capital Expenditure - Standard											
Governance and administration		115	--	--	--	--	--	--	--	--	--
Executive and council		5	--	--	--	--	--	--	--	--	--
Budget and treasury office		63	--	--	--	--	--	--	--	--	--
Corporate services		47	--	--	--	--	--	--	--	--	--
Community and public safety		--	1 275	214	--	--	--	--	--	--	--
Community and social services											
Sport and recreation			1 275	214							
Public safety											
Housing											
Health											
Economic and environmental services		4 860	1 346	--	--	--	--	--	--	--	--
Planning and development											
Road transport		4 860	1 346								
Environmental protection											
Trading services		8 649	15 025	887	9 129	9 129	9 129	--	7 960	7 566	8 725
Electricity		1 165	3 673						500		1 000
Water		4 819	11 157	887	9 129	9 129	9 129		7 460	7 566	7 725
Waste water management		665	195								
Waste management											
Other			841								
Total Capital Expenditure - Standard	3	11 624	18 486	1 101	9 129	9 129	9 129	--	7 960	7 566	8 725
Funded by:											
National Government		11 509	18 140	1 101	9 129	9 129	9 129		7 960	7 566	8 725
Provincial Government			346								
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	11 509	18 486	1 101	9 129	9 129	9 129	--	7 960	7 566	8 725
Public contributions & donations	5	4									
Borrowing	6	112									
Internally generated funds											
Total Capital Funding	7	11 624	18 486	1 101	9 129	9 129	9 129	--	7 960	7 566	8 725

Part 2 – Supporting Documentation

Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee is incorporated in the Financial Steering Committee and consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipalities IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 28 August 2014. Key dates applicable to the process were:

IDP & BUDGET TIME-SCHEDULE FOR THE 2015/16 PROCESS

Item No.	Deliverable	Co-Ordinating Department	Output	Legislative Requirement and Information	Time Frame
1	Tabling of Draft IDP & Budget time schedule to all Committees and Council.	Finance	Approved IDP and Budget time-schedule for 15/16	MSA 32 of 2000 & MFMA No. 56 of 2003	26 August 2014
2	Assessing of the 2014/15 IDP & Budget process to address deficiencies, improvements and ensure integration and alignment of future processes.	Finance	Assessment from Provincial Treasury outlining the short comings and recommendations.	MFMA No. Act 56 of 2003	September-14
3	Engagement with communities / ward committees to participate in Council priorities.	LED	Prioritised needs assessment of engagements with community members.	MSA Ch5 s29	January-15
4	13/14 Annual performance report to council.	LED	Annual performance report	MFMA No. Act 56 of 2003	29 August 2014
5	Place 2013/14 Annual Performance Report on website and make available to National Treasury.	Administration	Annual performance report	MFMA No. Act 56 of 2003	29 August 2014
6	Advertisement of time-schedule on website, local newspapers and notice boards	Admin	Notification to public	MFMA No. Act 56 of 2003	After August council

7	First draft 2013/14 Annual Report Auditor General	LED Finance	Draft Annual Report	MFMA	29 August 2014
8	Submit D Forms to NERSA	Finance	D-Forms	MFMA Circular 58	30 October '14
9	Consult with provincial sector departments, district and local municipalities on sector specific programmes for alignment with Municipalities plans.	LED	Alignment of Provincial and District projects	MSA Ch5 s24	January 2015
10	Compile an Analysis Report in preparation for determining the strategic priorities and for Inclusion in the IDP	LED	Assessment of existing levels of development; Priority issues or problems; information on available resources	MSA Ch5 s 26	January-15
11	Submit comments / inputs from engagements to departments	LED	Consideration of comments / input into line department budgets		February-15
12	Adjustments budget with potential 2014/15 impact	Finance	2014/15 Adjustments budget (potential)	MFMA No. Act 56 of 2003	January-15
13	Mid year engagements by Provincial Treasury and sector departments	NCPT	Attendance register of engagements	MFMA No. Act 56 of 2003	February-15
14	Review of budget policies, indigent policy, rates policy and credit control policy.	Finance	Draft policies	MFMA No. Act 56 of 2004	March-15
15	Sending Draft Budget, IDP and related documents (including final SDBIP) to National and Provincial Governments and other stakeholders ensure signed quality certificate as per S5 of	Finance	An approved draft budget, IDP and policies.	MFMA No. Act 56 of 2004	March-15

	MBRR also attached				
16	Engagements with the relevant stakeholders.	Finance	Assessment report.	MFMA No. Act 56 of 2005	April 2015 - May 2015
17	Engagement with the NC Provincial Treasury within 2 to 3 weeks after the draft budget was tabled to council to facilitate the budget assessment process within a time that will allow the municipality to consider the Provincial Treasury's comments.	Finance	Assessment report.	MFMA No. Act 56 of 2006	April-15
18	Sending Final Budget, IDP and related documents (including final SDBIP) to National and Provincial Governments and other stakeholders ensure signed quality certificate as per S5 of MBRR also attached	Finance	An approved final budget, IDP and policies.	MFMA No. Act 56 of 2004	May-15

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year

strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and

- Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipalities IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The IDP revision process is underway the public participation process has been concluded and needs have been identified by the community members. As soon as the IDP has been completed the compilation of the SDBIP will take place.

Overview of budget related-policies

Draft policies have been reviewed and tabled with the draft budget. The following have been tabled: credit and debt collection, property rates, indigent, tariff, banking and investment and virement policies.

Overview of budget assumptions

External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipalities finances.

General inflation outlook and its impact on the municipal activities

There are four key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipalities residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households

influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Salary increases

The collective agreement regarding salaries/wages is currently in negotiations but we have provide for an increase of 4.4% as per circular 75 of National Treasury.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95 per cent is achieved on operating expenditure and 97 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and

- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		–	6 620	1 910	–	–	–	–	7 833	8 295	8 760
Service charges		7 088	6 151	6 276	23 810	23 810	23 810	–	12 785	13 538	14 296
Other revenue			5 523	2 218					1 674	1 772	1 871
Government - operating	1	16 675	25 292	13 109	16 540	16 540	16 540		20 368	21 042	21 585
Government - capital	1	17 768	8 451	7 595	11 685	11 685	11 685		–	–	–
Interest		192	88	74	88	88	88	–	1 305	1 382	1 460
Dividends									–	–	–
Payments											
Suppliers and employees		(24 935)	(34 034)	(25 726)	(34 034)	(34 034)	(34 034)	–	(39 031)	(41 333)	(43 647)
Finance charges		(503)	(130)	(91)	(130)	(130)	(130)	–	(71)	(75)	(79)
Transfers and Grants	1	(8 290)	–	–	–	–	–	–	(9 173)	(6 053)	(6 980)
NET CASH FROM/(USEO) OPERATING ACTIVITIES		7 995	17 959	5 366	17 959	17 959	17 959	–	(4 310)	(1 432)	(2 754)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		97			119	119	119		–	–	–
Decrease (increase) in non-current debtors		33							–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(14 729)	(18 367)	(1 083)	(18 486)	(18 486)	(18 486)		(7 960)	(7 566)	(8 725)
NET CASH FROM/(USEO) INVESTING ACTIVITIES		(14 600)	(18 367)	(1 083)	(18 367)	(18 367)	(18 367)	–	(7 960)	(7 566)	(8 725)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			346						–	–	–
Borrowing long term/refinancing		112	–		33	33	33		–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(327)	(313)	(161)					–	–	–

NET CASH FROM/(USED)										
FINANCING ACTIVITIES		(215)	33	(161)	33	33	33	-	-	-
NET INCREASE/ (DECREASE)										
IN CASH HELD		(6 820)	(375)	4 122	(375)	(375)	(375)	-	(12 270)	(11 479)
Cash/cash equivalents at the										
year begin:	2	3 869	(2 986)	(3 361)	2 951	2 951	2 951		1 592	(19 676)
Cash/cash equivalents at the										
year end:	2	(2 951)	(3 361)	762	2 576	2 576	2 576	-	(10 678)	(31 155)

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

NC064 Kamiesberg - Table A8 Cash backed reserves/accumulated surplus reconciliation

[illegible]

Statutory requirements	2										
Other working capital requirements	3	5 451	6 542	24 051	20 020	20 546	20 546	-	(7 021)	(7 431)	(7 846)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		5 451	11 760	32 193	20 020	20 546	20 546	-	(421)	(7 431)	(7 846)
Surplus(shortfall)		(8 403)	(15 120)	(31 432)	(19 378)	(19 904)	(19 904)	-	2 615	9 755	10 300

MBRR SA19 - Expenditure on transfers and grant programmes

Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	16 641	18 323	18 888	18 888	18 888	20 368	21 042	21 565
Local Government Equitable Share		-	12 041	13 681	15 154	15 154	15 154	17 563	18 075	18 187
Municipal Systems Improvement			800	1 095	934	934	934	930	957	1 033
Finance Management			1 500	2 379	1 800	1 800	1 800	1 875	2 010	2 345
			2 300	168	-	-	-			
				1 000	1 000	1 000	1 000			
Other transfers/grants [insert description]										
Provincial Government:		-	-	462	-	-	-	965	981	1 044
Sport and Recreation				462	-	-	-	965	981	1 044
Housing										
Other transfers/grants [insert description]										
District Municipality:		-	-	400	-	-	-	-	-	-
District Municipality:				400						
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		-	16 641	19 185	18 888	18 888	18 888	21 333	22 023	22 609
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	-	-	-	-	-	7 960	7 566	8 725
Municipal Infrastructure Grant (MIG)								7 460	7 566	7 725

Total capital expenditure of Transfers and Grants	-	-	-	-	-	-	7 960	7 566	8 725
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	-	16 641	19 185	18 888	18 888	18 888	29 293	29 589	31 334

Councillor and employee benefits**MBRR SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Origin at Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages					1 838			1 885	1 997	2 108
Pension and UIF Contributions					146			283	300	316
Medical Aid Contributions					17			22	23	24
Motor Vehicle Allowance					423			423	448	473
Cellphone Allowance					94			101	107	113
Housing Allowances					-					
Other benefits and allowances					14					
Sub Total - Councillors		-	-	-	2 532	-	-	2 715	2 875	3 036
% increase	4	-	-	-	-	(100.0 %)	-	-	5.9%	5.6%
<u>Senior Managers of the Municipality</u>										
Basic Salaries and Wages					1 777			1 453	1 538	1 624
Pension and UIF Contributions					75			140	149	157
Medical Aid Contributions					286			65	68	72
Overtime					-			-		
Performance Bonus					-			-		
Motor Vehicle Allowance	3				273			301	319	337
Cellphone Allowance	3				45			37	39	41
Housing Allowances	3				50			38	40	43
Other benefits and allowances	3				22			113	119	126
Payments in lieu of leave					-					
Long service awards					-					
Post-retirement benefit obligations	6				-					
Sub Total - Senior Managers of Municipality		-	-	-	2 527	-	-	2 146	2 273	2 400
% increase	4	-	-	-	-	(100.0 %)	-	-	5.9%	5.6%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages					10 010			10 006	10 597	11 190
Pension and UIF Contributions					1 300			1 581	1 674	1 768
Medical Aid Contributions					501			242	256	271
Overtime								403	427	451
Performance Bonus										
Motor Vehicle Allowance	3				396			330	349	369
Cellphone Allowance	3				32			30	32	34
Housing Allowances	3				171			108	114	121
Other benefits and allowances	3				98			965	1 022	1 080
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		-	-	-	12 508	-	-	13 666	14 472	15 283
% increase	4	-	-	-	-	(100.0 %)	-	-	5.9%	5.6%

Total Parent Municipality		-	-	-	17 567	-	-	18 527	19 620	20 718
Sub Total - Board Members of Entities % Increase	4	-	-	-	-	(100.0 %)	-	-	5.9%	5.6%
Sub Total - Other Staff of Entities % Increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	-	-	17 567	-	-	18 527	19 620	20 718
% Increase	4	-	-	-	-	(100.0 %)	-	-	5.9%	5.6%
TOTAL MANAGERS AND STAFF	5, 7	-	-	-	15 035	-	-	15 812	16 745	17 683

MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							-
Speaker	4							-
Chief Whip								-
Executive Mayor			600 293	126 299	170 987			897 579
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors			1 284 950	178 269	353 583			1 816 802
Total Councillors	8	-	1 885 243	304 568	524 570			2 714 381
Senior Managers of the Municipality	5							
Municipal Manager (MM)			614 441	6 222	177 545			798 208
Chief Finance Officer			279 393	110 703	61 554			451 650
Technical Head			279 393	110 703	79 492			469 588
Corporate Services Head			279 393	98 283	66 190	-		443 866
List of each official with packages >= senior manager								-
Total Senior Managers of the Municipality	8, 10	-	1 452 620	325 911	384 781	-		2 163 312
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	3 337 863	630 479	909 351	-		4 877 693

MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	R ef	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	1, 2	Positio ns	Perma nent employ ees	Contra ct employ ees	Positio ns	Perma nent employ ees	Contra ct employ ees	Positio ns	Perman ent employ ees	Contra ct employ ees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		7	1	6	7	1	6	9	3	6
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	4	1	5	4	1	5	3	1
Other Managers	7									
Professionals		1	1	–	1	1	–	1	1	–
<i>Finance</i>		1	1		1	1		1	1	
Technicians		–	–	–	1	1	–	1	1	–
<i>Electricity</i>					1	1		1	1	
Clerks (Clerical and administrative)		56	35		56	35	2	29	29	
Service and sales workers		17	17		18	18		18	18	–
Skilled agricultural and fishery workers										
Plant and Machine Operators		17	13	4	17	17		39	39	–
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	103	71	11	105	77	9	102	94	7
% Increase					1.9%	8.5%	(18.2%)	(2.9%)	22.1%	(22.2%)

Contracts having future budgetary implications

In terms of the Municipalities Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

The Municipality forms part of the shared service model with the District Municipality for an Audit Committee.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is presented at the Municipalities internal centre and training is ongoing.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

Other supporting documents

Table SA1 - Supporting detail to budgeted financial performance

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		3 014	2 730	3 164	4 257	5 666	5 666		7 833	8 295	8 760
less Revenue Foregone											
Net Property Rates		3 014	2 730	3 164	4 257	5 666	5 666	-	7 833	8 295	8 760
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		1 807	3 737	3 303	4 889	5 208	5 208		5 752	6 091	6 432
less Revenue Foregone			1 326								
Net Service charges - electricity revenue		1 807	2 410	3 303	4 889	5 208	5 208	-	5 752	6 091	6 432
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		1 752	3 039	2 510	3 487	3 505	3 505		3 843	4 070	4 298
less Revenue Foregone			1 326								
Net Service charges - water revenue		1 752	1 713	2 510	3 487	3 505	3 505	-	3 843	4 070	4 298
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		944	1 456	1 194	1 405	1 409	1 409		1 400	1 482	1 565
less Revenue Foregone											
Net Service charges - sanitation revenue		944	1 456	1 194	1 405	1 409	1 409	-	1 400	1 482	1 565
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		1 357	1 024	962	1 877	1 947	1 947		1 790	1 895	2 001
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		1 357	1 024	962	1 877	1 947	1 947	-	1 790	1 895	2 001
<u>Other Revenue by source</u>											
List other revenue by source		311	1 083	1 271	371	472	472		1 397	1 479	1 562
Total 'Other' Revenue	1	311	1 086	1 271	371	472	472	-	1 397	1 479	1 562
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	9 569	8 853	10 263	11 630	11 381	11 381		11 459	12 135	12 815
Pension and UIF Contributions		1 423	1 623	2 143	1 445	1 076	1 076		1 723	1 825	1 927
Medical Aid Contributions		-	207	241	787	423	423		307	325	343
Overtime		340	-	-	-	386	386		403	427	451
Performance Bonus		-	723	882	-	-	-				

Motor Vehicle Allowance		612	1 216	757	757	423	423		631	669	706
Cellphone Allowance		–	78	75	77	57	57		67	70	74
Housing Allowances		108	364	146	220	227	227		146	155	163
Other benefits and allowances		298	–		120	112	112		1 078	1 142	1 206
Payments in lieu of leave		–	342	288							
Long service awards											
Post-retirement benefit obligations	4										
sub-total	5	12 349	13 405	14 795	15 036	14 085	14 085	–	15 814	16 747	17 684
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	12 349	13 405	14 795	15 038	14 085	14 085	–	15 814	16 747	17 684
Contributions recognised - capital											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		8 037	8 406	8 627	2 872	2 872	2 872		2 865	3 034	3 204
Total Depreciation & asset impairment	1	8 037	8 406	8 627	2 872	2 872	2 872	–	2 865	3 034	3 204
Bulk purchases											
Electricity Bulk Purchases		4 776	7 000	9 683	9 028	7 494	7 494		11 078	11 731	12 388
Water Bulk Purchases		356	356	649	158	310	310		320	339	358
Total bulk purchases	1	5 132	7 356	10 333	9 186	7 803	7 803	–	11 398	12 070	12 746
Transfers and grants											
Cash transfers and grants		6 629	8 827	7 609	–	–	–	–	10 138	7 034	8 024
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	6 629	8 827	7 609	–	–	–	–	10 138	7 034	8 024
Contracted services											
Security		467	402	578					100	106	112
sub-total	1	467	402	578	–	–	–	–	100	106	112
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		467	402	578	–	–	–	–	100	106	112
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Consultant fees											
Audit fees											
General expenses	3										
<i>List Other Expenditure by Type</i>		3 560	3 962	5 110	7 618	9 890	9 890		5 529	5 855	6 183
		–	82	316							
Total 'Other' Expenditure	1	3 560	4 044	5 426	7 618	9 890	9 890	–	5 529	5 855	6 183
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure									2 898	3 068	3 240
Total Repairs and Maintenance Expenditure	9	–	–	–	–	–	–	–	2 898	3 068	3 240

[illegible]

operational																-
Gains on disposal of PPE																
Total Revenue (excluding capital transfers and contributions)	-	31 177	3	-	1 790	3 843	5 752	-	-	1 400	-	-	-	-	-	4 396 5
Expenditure By Type																
Employee related costs	1 122	7 032						1 219	6 439							1 581 2
Remuneration of councillors	2 715															2 271 5
Debt impairment		2 001														2 001 0
Depreciation & asset impairment									2 865							2 865 7
Finance charges		71														1 113 9
Bulk purchases						32 0	11 078									8 347 5
Other materials									3 475							3 475 1
Contracted services		100														0 009 1
Transfers and grants		9 173														7 335 2
Other expenditure		5 529														9 -
Loss on disposal of PPE																
Total Expenditure	3 837	23 906	-	-	-	32 0	11 078	1 219	12 779	-	-	-	-	-	-	5 313 9
Surplus/(Deficit)	(3 837)	7 271	3	-	1 790	3 523	(5 326)	(1 219)	(12 779)	1 400	-	-	-	-	-	(9 174)
Transfers recognised - capital																-
Contributions recognised - capital																-
Contributed assets																-
Surplus/(Deficit) after capital transfers & contributions	(3 837)	7 271	3	-	1 790	3 523	(5 326)	(1 219)	(12 779)	1 400	-	-	-	-	-	(9 174)

MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days		978	607	574					603	638	674
Other current investments > 90 days			-	-							
Total Call investment deposits	2	978	607	574	-	-	-	-	603	638	674
<u>Consumer debtors</u>											
Consumer debtors		10 849	3 435	5 979	4 278	4 278	4 278		37 996	40 238	42 491
<u>Less: Provision for debt impairment</u>											
Total Consumer debtors	2	10 849	3 435	5 979	4 278	4 278	4 278	-	37 996	40 238	42 491
<u>Debt impairment provision</u>											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		102 494	112 978	103 788	104 088	104 088	104 088		103 788	109 911	118 067
Leases recognised as PPE											
<u>Less: Accumulated depreciation</u>											
Total Property, plant and equipment (PPE)	2	102 494	112 978	103 788	104 088	104 088	104 088	-	103 788	109 911	116 067
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		207	161	163					163	163	163
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		207	161	163	-	-	-	-	163	163	163
<u>Trade and other payables</u>											
Trade and other creditors		13 844	14 044	29 850	25 852	25 852	25 852		31 581	33 445	35 318
Unspent conditional transfers			5 218	8 142					6 600	-	-
VAT											
Total Trade and other payables	2	13 844	19 262	37 992	25 852	25 852	25 852	-	38 181	33 445	35 318
<u>Non current liabilities - Borrowing</u>											
Borrowing											
Finance leases (including PPP asset element)		374	454	290					290	307	325
Total Non current liabilities - Borrowing	4	374	454	290	-	-	-	-	290	307	325

Provisions - non-current											
Retirement benefits		10 296	1 767	2 337	9 340	9 340	9 340		2 473	2 619	2 765
List other major provision items											
Refuse landfill site rehabilitation											
Other			9 279	8 057					8 524	9 027	9 533
Total Provisions - non-current		10 296	11 045	10 394	9 340	9 340	9 340	-	10 997	11 646	12 298
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance											
GRAP adjustments											
Restated balance		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		(3 659)	(3 150)	(20 018)	8 239	10 033	10 033	-	(1 217)	981	528
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	(3 659)	(3 150)	(20 018)	8 239	10 033	10 033	-	(1 217)	981	528
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(3 659)	(3 150)	(20 018)	8 239	10 033	10 033	-	(1 217)	981	528

Municipal manager's quality certificate

I Joseph Gerhardus Cloete, municipal manager of Kamiesberg Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name JOSEPH CLOETE

Municipal manager of Kamiesberg Local Municipality (NC064)

Signature 

Date 30/3/2015